

connecticut

beer wholesalers association

Chairman D'Agostino, Chairman Maroney, and members of the General Law Committee, The Connecticut Beer Wholesaler Association appreciates the opportunity to submit testimony on HB 5331, An Act Concerning The Liquor Control Act and Related Statutes.

The Connecticut Beer Wholesalers Association (CBWA) does not oppose the concept of a festival permit; however, it is concerned about House Bill 5331's inclusion of foreign manufacturers for two important reasons.

First, the bill contemplates the participation of out-of-state brewers and other manufacturers who "hold a valid permit issued by another state that authorizes such person or entity to manufacture liquor in that state." This is troubling from a regulatory perspective because the Department of Liquor Control only has regulatory authority over persons and entities licensed in Connecticut. Beverage alcohol should never be sold in this state by persons or entities who do not hold Connecticut licenses.

Second, any foreign brewer licensed to sell products to licensed distributors in Connecticut should not be permitted to sell its products at retail at a festival in this state. Doing so would violate the exclusive franchise rights of Connecticut's licensed distributors. Under Connecticut's longstanding three-tier system, out-of-state brewers wishing to sell their products in Connecticut must sell them to a licensed wholesaler, who in turn must sell them to a licensed retailer. Out-of-state brewers should not be permitted to circumvent these required distribution channels by selling direct to customers at festivals.

We, therefore, request consideration of the attached proposed modifications to HB 5331.

Section 1. (NEW) (Effective from passage) (a) For the purposes of this section:

Delete in its entirety [(6) "Foreign manufacturer" means any out-of-state person who, or out-of-state entity that, holds a valid permit issued by another state that authorizes such person or entity to manufacture alcoholic liquor in that state; and]

(7) "Participating manufacturer" means a domestic manufacturer [or foreign manufacturer that] (A) receives an invitation from a festival sponsor to participate in a

festival, and (B) participates in a festival organized and sponsored by the festival sponsor.

(b) (1) (A) Except as provided in subdivision (2) of this subsection, a CT30 permit shall allow an eligible festival sponsor to organize and sponsor a festival in this state in accordance with the provisions of this section by, among other things, inviting domestic manufacturers [and foreign manufacturers] to participate in such festival. Each festival permit issued by the Commissioner of Consumer Protection under this section shall be effective for not more than four consecutive days and shall allow the festival sponsor to hold the festival on the days and times permitted under subsection (j) of section 30-91 of the general statutes, as amended by this act. The fee for each festival permit shall be seventy-five dollars.

(c) (1) Notwithstanding the provisions of sections 30-18 to 30-19, inclusive of the general statutes, any domestic manufacturer [or foreign manufacturers] may participate in a festival organized and sponsored by a festival sponsor that invites such domestic manufacturer to participate in such festival.